



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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July 19, 2000

Neldon Kunz
Mine Superintendent
American Gilsonite Company
Bonanza Operations
HC 73 Box 28
Vernal, Utah 84078-9284

Re: Recognition of Surety Posted and Approval to Commence Work on I-12 Amendment, American Gilsonite Company (AGC), Bonanza Operations, M/047/010 (ML-851), Uintah County, Utah

Dear Mr. Kunz:

The Division has received a copy of the July 14, 2000 letter from the School Institutional Trust Lands Administration (SITLA) acknowledging their acceptance of the reclamation bond for ML-851 and their final approval to commence development. The Division can now recognize the posting of a reclamation surety for this site and hereby grants Division approval for AGC to commence development on the proposed I-12 site. As stated in the Division letter of June 9, 2000, and later clarified in the June 27, 2000 letter, AGC will have 90 days from today's date to complete the detailed review of the reclamation surety.

The Division is in the process of reviewing the additional information provided by AGC received June 7, 2000, and May 30, 2000. We anticipate our review of this additional information to be completed and our review response sent to you within the next 15 days. If you have any questions regarding this letter, please contact me at (801) 538-5286, or Tony Gallegos at (801) 538-5267. Thank you for your continued cooperation.

Sincerely,

D. Wayne Hedberg
Permit Supervisor
Minerals Reclamation Program

jb

cc: Will Stokes, SITLA
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